

VILLAGE CENTER TAX INCREMENT FINANCING FUND

Description of Fund	The Tax Increment Financing Fund is utilized by the Village to accumulate resources and pay expenses for capital improvements, repairs, and other projects related to the redevelopment of the Village Center.
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Changes from Previous Budgets – Combining of Accounting Funds – Streetscape Fund

When originally established, this Fund had a sister fund entitled Village Center Tax Increment Financing (TIF) Streetscape and Parking Fund. TIF resources utilized for and expenditures related to the streetscape renovation project in the Village's Downtown were recorded in this sister fund. At the end of 2001, in preparation for full implementation of the Governmental Accounting Standards Board (GASB) 34 Statement by Fiscal Year Ending 2003, the decision was made to combine the two Funds into one Fund with two separate activity areas, one activity area for Village Center Redevelopment Projects and one activity area for Streetscape and Parking Projects. The Fund Balances of the two have also been combined.

Budget Analysis

The Village Center TIF Fund Budget includes \$29,946 in Available Funds Over Expenditures in 2003 and \$77,446 in Available Funds Over Expenditures in 2004. Total Available Funds includes all Revenues and any Interfund Loans or Net Transfers In/(Out) *(with the exception of projected increment payments from properties for which redevelopment agreements have been enacted and require that those revenues generated by the project be used to make payments on one or more developer notes applicable to the respective project; this information will be presented on a separate and independent schedule – based on project schedules and the timing of the assessment process; these payments will have no impact during 2003 & 2004 and therefore this schedule is not included)*. In 2003, total Available Funds are projected at \$3,894,500. In 2004, total Available Funds are projected at \$5,657,500.

Available Funds in the 2002 Budget were significantly higher than the amounts projected for 2003 and 2004. This is due to the fact that the 2002 budget included projected proceeds from a large Bond Sale (\$10,000,000) that did not materialize. The 2003 and 2004 budgets also assume, to a much lesser extent, issuance of Bonds and corresponding proceeds of \$1,600,000 in 2003 and \$4,900,000 in 2004 to finance certain projects budgeted in this Fund. Excluding these one-time revenues from Other Financing Sources, revenues are projected to increase in 2003 by \$177,500 (151.71%) to a total of \$294,500. In 2004, revenues are projected to continue to increase by \$63,000 (21.18%) to a total of \$357,500.

As proposed, Revenues in 2003 are to be supplemented by additional Interfund Loans of \$2,000,000 that include a \$1,400,000 loan from the Capital Improvement Fund and a \$600,000 loan from the General Fund. In 2004 Interfund Loans are projected to decrease by \$1,600,000 to a total of \$400,000 in loans from the Capital Improvement Fund.

Expenditures

In 2003, total expenditures for TIF are projected at \$3,815,000 with \$3,400,000 designated for Downtown Redevelopment, \$285,000 designated for Streetscape, and \$130,000 in Interest owed to other Funds. The decrease in 2003 expenditures for the Streetscape Program is due to the fact that a State of Illinois Grant will directly pay the majority of the design and construction costs for the Streetscape work to be undertaken in 2003.

In 2004, total expenditures are projected to increase by \$1,795,000 to a total of \$5,610,000. This increase is attributable to a projected increase in expenditures to address downtown parking issues as well as Interest payments for the Bonds to be issued in 2003.

Projected Fund Balances

In 2003 the TIF Fund will have a negative Fund Balance of \$7,420,054. This negative fund balance represents the amount of loans the TIF Fund has received from other funds in the Village plus any amount of accumulated interest owed to other funds of the Village. This Fund Balance also includes the remaining principal owed on the potential bond issues included in the proposed 2003-2004 budget. Available Funds Over Expenditures at the end of the year slightly reduces the negative balance in the TIF Fund (the \$29,946 in Available Funds Over Expenditures in 2003 represents money that could be used to reduce TIF debt to other Funds).

In 2004 the negative Fund Balance in the TIF Fund will increase to \$12,802,554 due to the loan from the Capital Improvement Fund of \$400,000, interest owed to other Village Funds of \$230,000, and a potential Bond Issue in the amount of \$4,900,000.

VILLAGE OF BARRINGTON
VILLAGE CENTER TAX INCREMENT FINANCING DISTRICT
REVENUE AND EXPENDITURE SUMMARY

	FY 2000	FY 2001	FY 2002	FY 2002	FY 2003	FY 2004
	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>
			<u>Budget</u>	<u>Actual</u>		
Beginning Available Funds	0	1,459,873	(144,742)	(144,742)	(49,554)	29,946
Revenue⁽¹⁾						
Property Taxes	0	61,273	117,000	164,000	225,000	285,000
Intergovernmental	0	25,000	0	0	0	0
Village Property Usage	0	36,865	0	61,500	64,500	67,500
Investment Income	176	43,472	0	5,800	0	0
Miscellaneous	0	900	0	5,000	5,000	5,000
Other Financing Sources	0	0	10,000,000	0	1,600,000	4,900,000
Total Revenue	176	167,510	10,117,000	236,300	1,894,500	5,257,500
Transfers						
Loan from Capital Improv	2,000,000	800,000	800,000	800,000	1,400,000	400,000
Loan from General Fund	0	0	0	0	600,000	0
Total Available Funds	2,000,176	967,510	10,917,000	1,036,300	3,894,500	5,657,500
Capital Expenditures						
Downtown Redevelopment						
Administration	64,954	186,724	50,000	175,000	200,000	200,000
Building/Façade	0	0	500,000	0	250,000	250,000
Redevelopment Projects	134,798	945,886	9,500,000	0	2,950,000	4,425,000
Streetscape Projects	340,551	1,439,515	1,735,000	766,112	285,000	505,000
Total Capital Expenditures	540,303	2,572,125	11,785,000	941,112	3,685,000	5,380,000
Debt Service Expenditures						
Debt Service	0	60,000	217,000	60,000	130,000	230,000
Total Debt Service	0	60,000	217,000	60,000	130,000	230,000
Total Expenditures⁽¹⁾	540,303	2,632,125	12,002,000	1,001,112	3,815,000	5,610,000
Available Funds Over /						
(Under) Expenditures	1,459,873	(144,742)	(1,085,000)	(49,554)	29,946	77,446
Year-End Fund Balance⁽²⁾	(540,127)	(3,004,742)	(14,745,000)	(3,769,554)	(7,420,054)	(12,802,554)

(1) The budget does not include revenues from any project nor payment to its respective developer, if those revenues or payments were subject to a redevelopment agreement (Not applicable in 2003 or 2004). The totals include the the totals from the Streetscape Fund in 2000 and 2001.

(2) The Fund Balance for the Village Center Tax Increment Financing District (TIF) includes loans from other Village Funds and Bond Proceeds that will be repaid as the tax increment is realized over the 23 year life of the TIF. The loan amounts include: in FY 2000 - \$2,000,000 from the Capital Improvement Fund; in FY 2001 - \$800,000 from the Capital Improvement Fund; in FY 2002 - \$800,000 from the Capital Improvement Fund; in FY 2003 - \$600,000 from the General Fund, \$1,400,000 from the Capital Improvement Fund, and \$1,600,000 from Bond Proceeds; and in FY 2004 - \$400,000 from the Capital Improvement Fund and \$4,900,000 from Bond Proceeds.